



JUL - 7 2005

The Honorable Mitch Daniels
Governor of Indiana
206 State House
Indianapolis, Indiana 46204

Dear Governor Daniels:

It is with pleasure that I respond to the State of Indiana's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted six waiver requests. The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 20 percent to 100 percent for Adult and Dislocated Worker funds.

This waiver request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Indiana is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

Requested Waiver 2: Extension of the waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that an extension would allow the state to continue to offer flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. The request further states that the extension will allow local areas to enhance delivery of occupational skills training and increase customer choice for youth. This request is written in the format identified in

WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted an extension of the waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 3: Extension of the waiver of the time limit on the period of initial eligibility at 20 CFR 663.530.

The state indicates that an extension of this waiver is requested to address the continuing difficulties in the collection of "all student" information from training providers. Without an extension, the state indicates that many training providers are likely to opt out of the Eligible Training Provider system, thus limiting customer choice. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Indiana is granted an extension of the waiver, through June 30, 2007.

Requested Waiver 4: Waiver to allow the Governor to designate the state as a single-state workforce service area.

In a memo dated June 24, 2005, that supplements this request, the state indicated that it intends to revise the request and resubmit it. Accordingly, this letter does not address this request. We will respond separately, once we receive the revised submission from the state.

Requested Waiver 5: Waiver to remove the requirement for a youth council and its membership requirements.

The requirement for a youth council is part of Local Workforce Investment Board requirements. We support flexibility in this area; however, provisions related to local boards are excluded from the general waiver authority and cannot be waived.

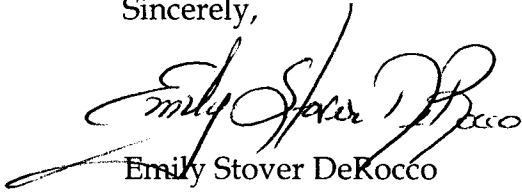
Requested Waiver 6: Waiver to allow eligibility for the National School Lunch Program to substitute for the WIA Title I income eligibility criteria.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility, as long as they are consistent with the statute, the regulations and other federal statutes.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", with a large, stylized flourish extending from the end of the signature.

Emily Stover DeRocco

Enclosure